

## Message Text

UNCLASSIFIED

PAGE 01 ISLAMA 08456 01 OF 02 291441Z  
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01  
DOE-15 JUSE-00 /120 W  
-----004339 291450Z /43

R 290951Z AUG 78  
FM AMEMBASSY ISLAMABAD  
TO SECSTATE WASHDC 8852

UNCLAS SECTION 1 OF 2 ISLAMABAD 8456

E.O. 11652: N/A  
TAGS: ETRD, PK  
SUBJ: IMPORT POLICY FOR FY1979 - CHANGES

REF: ISLAMABAD 3573

SUMMARY. ON AUG. 15, 1978 THE FEDERAL COMMERCE MINISTER ANNOUNCED SOME MINOR CHANGES IN THE FY1979 IMPORT POLICY INTRODUCED ON JULY 1 (REFTEL) AS THE RESULT OF A SUBSEQUENT REVIEW OF THE POLICY. THE CHANGES INCLUDE: SHIFTING OF THREE FREE LIST ITEMS--TOOTHPASTE, TOOTHBRUSHES AND SHAVING CREAM--TO THE TIED LIST, EXPANSION OF THE GIFT SCHEME IMPORTABLE LIST BY EIGHT ITEMS --INCLUDING AIR CONDITIONERS, TV SETS AND REFRIGERATORS--INCREASE OF CUSTOMS DUTY ON PAPER LABELS AND CROWN CORKS, AND RESTRICTIVE TREATMENT FOR IMPORT OF CERTAIN YET UNIDENTIFIED NON-ESSENTIAL ITEMS. THESE MEASURES ARE DESIGNED TO DISCOURAGE IMPORTS OF THE THREE PRODUCTS BY THE SAME FIRMS THAT ALSO PRODUCE THEM IN THE COUNTRY. THE INCREASES IN THE GIFT SCHEME IMPORTS LIST IS TO GET AROUND LIMITS ON CURRENCY TRANSFER BY COUNTRIES WHERE EXPATRIATES WORK. THE MEASURES WILL NOT HAVE ANY SIGNIFICANT IMPACT ON FOREIGN TRADE, PARTICULARLY TRADE WITH THE U.S. END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ISLAMA 08456 01 OF 02 291441Z

2. AT A PRESS CONFERENCE ON AUG. 15, 1978 THE FEDERAL COMMERCE MINISTER, ZAHID SARFARAZ, ANNOUNCED THAT AS A RESULT OF A REVIEW OF THE FY79 IMPORT POLICY, ORDERED BY THE CMLA, THE GOVERNMENT HAS DECIDED TO INTRODUCE SOME MEASURES WHICH WOULD RATIONALIZE THE IMPORT POLICY AND MAKE IT A MORE EFFECTIVE INSTRUMENT FOR ACHIEVING

ECONOMIC OBJECTIVES. THE MEASURES INCLUDE: (1) SHIFTING OF THREE FREE LIST PART A ITEMS TO THE TIED LIST: (2) EXPANSION OF THE GIFT SCHEME IMPORTABLE LIST BY EIGHT ITEMS: (3) INCREASE OF CUSTOMS DUTY ON PAPER LABELS AND CROWN CORKS, AND (4) RESTRICTIVE TREATMENT FOR IMPORT OF CERTAIN UN-IDENTIFIED NON-ESSENTIAL ITEMS.

3. THE THREE ITEMS SHIFTED FROM FREE LIST PART A TO THE TIED LIST ARE: SHAVING CREAM AND TOOTHPASTE (CLASSIFIED AS TWO SEPARATE ITEMS UNDER THE SAME ITC NO.33-06 III), AND TOOTH BRUSHES (ITC NO. 96-02 I). THE FREE LIST WILL NOW CONTAIN 435 ITEMS WHILE THE TIED LIST WILL CONTAIN 25. BY SHIFTING THESE ITEMS TO THE TIED LIST THE GOVERNMENT EXPECTS THAT EXISTING DOMESTIC CAPACITY FOR PRODUCTION OF THESE ITEMS WOULD BE FULLY UTILIZED. THE MEASURE IS ALSO EXPECTED TO BRING DOWN THE PRICES WHICH THE IMPORTERS HAD ESCALATED BECAUSE OF CONSUMER PREFERENCE FOR FOREIGN BRANDS. IT IS DOUBTFUL THAT THE DESIRED EFFECT WILL BE VERY NOTICEABLE.

4. THE EXISTING FACILITY UNDER THE GIFT SCHEME, WHICH ALLOWED EXPATRIATES (REMAINING MORE THAN TWO YEARS ABROAD) TO SEND ONCE EVERY TWO YEARS TO THEIR CLOSE RELATIVES IN PAKISTAN, CARS, BUSES, TRUCKS AND TRACTORS, HAS BEEN EXPANDED TO INCLUDE EIGHT MORE ITEMS. THESE ARE:  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ISLAMA 08456 01 OF 02 291441Z

(1) AIR CONDITIONERS - DOMESTIC (ITC NO. 84-12 I), (2) AUTO-RICKSHAWS WITHOUT BODIES - ONLY VESPA ITALIAN MAKE (ITC NO. 87-09 II), (3) KNITTING MACHINES DOMESTIC (ITC NO. 84-37 I), (4) (A) MOTORCYCLES - ONLY JAPANESE MAKES - HONDA, SUZUKI, YAMAHA AND KAWASAKI, AND (B) MOTOR SCOOTERS - ONLY VESPA ITALIAN MAKE (BOTH ITC NO. 87-09 I), (5) RECORD PLAYERS AND RECORD CHANGERS (ITC NO. 92-11), (6) REFRIGERATORS (UP TO 10 CFT) AND DEEP FREEZERS (UP TO 7 CFT) - DOMESTIC (ITC NO. 84-15 I) (I), (7) TAPE RECORDERS AND CASSETTE PLAYERS EXCLUDING VTR/VCR (ITC NO. 92-11), AND (8) TELEVISION SETS (ITC NO. 85-15). EXCEPT FOR TV SETS, ALL ITEMS ARE IMPORTABLE UNDER THE FREE LIST PART A (FOR REGISTERED IMPORTERS). IN ALLOWING THESE FACILITIES, THE GOVERNMENT HAS ACCEDED TO EXPATRIATES PERSISTENT DEMANDS FOR FINDING SUCH AVENUES TO CHANNEL SAVINGS OVER AND ABOVE THE AMOUNT OF REMITTANCES WHICH ARE LIMITED BY SOME HOST COUNTRY CEILINGS. THE GOVERNMENT EXPECTS THESE MEASURE TO PROVIDE ABOUT 50 PERCENT OF IMPORT REQUIREMENTS FOR THESE ITEMS.

5. THE GOVERNMENT IS NOW ALSO ALLOWING , UNDER FREE

LIST PART B (FOR INDUSTRIAL CONSUMERS), IMPORTS OF  
COMPONENTS BY RECOGNIZED ASSEMBLERS FOR ASSEMBLY OF  
AIR CONDITIONERS (DOMESTIC), REFRIGERATORS (DOMESTIC),  
MOTORCYCLES AND MOTOR SCOOTERS (WITHOUT MAKE

LIMITATIONS) AND TV SETS. FULLY ASSEMBLED TV SETS WILL  
ALSO BE IMPORTABLE UNDER THE TIED LIST.

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 ISLAMA 08456 02 OF 02 291442Z  
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01  
DOE-15 JUSE-00 /120 W  
-----004351 291449Z /43

R 290951Z AUG 78  
FM AMEMBASSY ISLAMABAD  
TO SECSTATE WASHDC 8853

UNCLAS SECTION 2 OF 2 ISLAMABAD 8456

6. THE MEASURES FOR INCREASE OF DUTY ARE LIMITED TO  
TWO ITEMS: LABELS AND CROWN CORKS. THE DUTY INCREASES  
ARE: ON PAPER LABELS (PSTC NO. 48-19) FROM 70 PERCENT  
TO 120 PERCENT AD VALOREM, AND ON CROWN CORKS (PSTC  
NO. 45-04 B) FROM 85 PERCENT TO 120 PERCENT AND VALOREM.  
THE PURPOSE OF THE ADDITIONAL LEVY IS TO PROVIDE  
PROTECTION OF DOMESTIC INDUSTRY WHICH CANNOT COMPETE  
WITH IMPORTS. A HIGH LEVEL COMMITTEE HAS BEEN SET UP  
TO EXAMINE CASES OF PRODUCTS THAT CANNOT COMPETE WITH  
IMPORTS ON ACCOUNT OF FISCAL ANOMALIES OR OTHER  
FACTORS.  
HUMMEL

UNCLASSIFIED

NNN



## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ISLAMA08456  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780352-0786  
**Format:** TEL  
**From:** ISLAMABAD  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780814/aaaaaljr.tel  
**Line Count:** 161  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 410b635a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 ISLAMABAD 3573  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1593611  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IMPORT POLICY FOR FY1979 - CHANGES  
**TAGS:** ETRD, PK  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/410b635a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014